

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 400 - SB 556

March 29, 2011

SUMMARY OF BILL: Removes the exception that allows felony offenders, not otherwise eligible, to be sentenced to community corrections if the defendant has special needs such as chronic alcohol or drug abuse or mental health problems that are best treated in the community.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$104,172,400/Incarceration*

Decrease State Expenditures - \$1,880,100/Board of Probation and Parole

Decrease Local Revenue - \$536,700

Decrease Local Expenditures \$536,700

Assumptions:

- Based on information provided by the 19 community corrections programs, the Board of Probation and Parole (BOPP) estimates there are currently 1,107 offenders who will not be eligible for placement in community correction programs. Of those 1,107 offenders, there are 50 Class A felons, 202 Class B felons, 520 Class C felons, 179 Class D felons and 156 Class E felons. The community correction programs are for offenders who are not immediately eligible for state probation and would increase admissions to the Department of Correction (DOC).
- According to DOC, the average operating cost per offender per day for calendar year 2011 is \$60.62. The average post-conviction time served for a Class A felony is 16.68 years (6,092.37 days) at a cost of \$369,319.47 (\$60.62 x 6,092.37 days); 5.66 years (2,067.32 days) for a Class B felony at a cost of \$125,320.94 (\$60.62 x 2,067.32 days); 3.23 years (1,179.76 days) for a Class C felony at a cost of \$71,517.05 (\$60.62 x 1,179.76 days); 1.97 years (719.54 days) for a Class D felony at a cost of \$43,618.51 (\$60.62 x 719.54 days); and 1.27 years (463.87 days) for a Class E felony at a cost of \$28,119.80 (\$60.62 x 463.87 days).
- In the first year, there will be 50 additional Class A admissions. According to the U. S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will result in six additional offenders in the tenth year. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on 56 offenders. The additional operating cost for 56 Class A offenders is \$20,681,890.32 (\$369,319.47 x 56).

- In the first year, there will be 202 additional Class B admissions. Population growth will result in 24 additional offenders in the tenth year. The maximum cost in the tenth year is based on 226 offenders. The total operating cost for 226 Class B offenders is \$28,322,532.44 ($\$125,320.94 \times 226$).
- In the first year, there will be 520 additional Class C admissions. Population growth will result in 61 additional offenders in the tenth year. The maximum cost in the tenth year is based on 581 offenders. The total operating cost for 581 Class C offenders is \$41,551,406.05 ($\$71,517.05 \times 581$).
- In the first year, there will be 179 additional Class D admissions. Population growth will result in 21 additional offenders. The maximum cost in the tenth year is based on 200 offenders. The total operating cost for 200 Class D offenders is \$8,723,702 ($\$43,618.51 \times 200$).
- In the first year, there will be 156 additional Class E admissions. Population growth will result in 18 additional offenders in the tenth year. The maximum cost in the tenth year is based on 174 offenders. The total operating cost for 174 Class E offenders is \$4,892,845.20 ($\$28,119.80 \times 174$).
- The total increase in state expenditures is \$104,172,376.01 ($\$20,681,890.32 + \$28,322,532.44 + \$41,551,406.05 + \$8,723,702 + \$4,892,845.20$).
- The Board manages the grant money that is distributed to the 19 community corrections programs statewide. The Board assumes a cost per day for community corrections of \$4.65 based on FY09. According to BOPP, there will be a reduction in state expenditures of \$1,880,142.64 ($1,107 \text{ offenders} \times \$4.65 \text{ cost per day in community corrections} \times 365.25 \text{ days}$).
- Of the 19 community corrections programs, 13 are operated by local government entities. The remaining six programs are privately operated. There will be a reduction in local government revenue of \$536,698.35 ($316 \text{ offenders in privately operated programs} \times \$4.65 \text{ cost per day in community corrections} \times 365.25 \text{ days}$).

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/lsc